

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY**

Direct Energy Business Marketing, LLC

)

Order No. EA-____

**APPLICATION OF DIRECT ENERGY BUSINESS MARKETING, LLC
FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO MEXICO**

Pursuant to Section 202(e) of the Federal Power Act ("FPA") (16 U.S.C. Section 824a(e)) and 10 C.F.R. Section 205.300, *et seq.*, Direct Energy Business Marketing, LLC hereby files this application for blanket authority to transmit electric energy from the United States to Mexico. DEBM respectfully requests authorization to transmit electricity from the United States for a term of five years. To facilitate DEBM's consumer-facing operations, DEBM respectfully requests that the requested authorization be granted on or near to August 1, 2023.¹

I. DESCRIPTION OF APPLICANT

The exact legal name of the Applicant is Direct Energy Business Marketing, LLC ("DEBM"). DEBM is a Delaware limited liability company with its principal place of business in Princeton, New Jersey. DEBM is a wholesale buyer and seller of capacity and energy. DEBM is a wholly owned subsidiary of NRG Energy, Inc. ("NRG"), a consumer services company built on dynamic retail brands. NRG brings the power of energy to customers by producing and selling energy and related products and services, nationwide in the U.S. and Canada in a manner that delivers value to all of NRG's stakeholders. NRG sells power, natural gas, and home and power services, and develops innovative, sustainable solutions, predominantly under the brand names of NRG, Reliant, Direct Energy, Green Mountain Energy, Stream, and XOOM Energy.

Presently, DEBM is qualified to do business in the states of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. NRG is qualified to do business in the states of Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Florida, Georgia, Hawaii, Iowa, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, Nevada,

¹ DEBM is also submitting an application for authorization to transmit electric energy to Canada, concurrent with the submission of this application.

New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Utah, and West Virginia.

DEBM does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. DEBM operates as a marketer² and broker of electric power at wholesale and arranges services in related areas such as fuel supplies and transmission services. DEBM will purchase the energy to be exported from wholesale generators, electric utilities, and federal power marketing agencies.³ The instant application relates to DEBM as a marketer of electric energy only.

II. CORRESPONDENCE AND COMMUNICATIONS

All correspondence and communications concerning this application should be addressed to the following:

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III. JURISDICTION

Pursuant to FPA Section 202(e) the Department has jurisdiction over the action proposed in this Application. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this application.

IV. DESCRIPTION OF TRANSMISSION FACILITIES

Consistent with the Department's prior orders, DEBM seeks authority to export power to Mexico over any authorized international transmission facility that is appropriate for open access transmission by third parties in accordance with the export limits authorized by the Department.

² As used herein, the terms "marketer" and "power marketer" mean an entity that buys and sells electric power for its own account. DEBM has a currently effective market-based rate ("MBR") tariff authorized by the Federal Energy Regulatory Commission ("FERC"). A copy of DEBM's currently effective MBR tariff under which it makes sales of electric power at wholesale in interstate commerce at is attached hereto as Attachment 1.

³ Applicant is affiliated with entities that own wholesale generating facilities.

Exhibit C to this Application identifies the international transmission facilities that are currently authorized by Presidential Permit and available for open access transmission pursuant to Executive Order 10485, as amended by Executive Order 12038.

V. TECHNICAL DISCUSSION OF PROPOSAL

DEBM seeks authority to transmit electric energy to Mexico as a power marketer. As noted above, DEBM does not have its own "system" on which its exports of energy could have a reliability or stability impact. DEBM will purchase the energy to be exported from wholesale generators, electric utilities, and federal power marketing agencies. By definition, such energy is surplus to the system of the generator and thus, exportation of said energy will not impair the adequacy of electric power supply within the United States.

DEBM will make all necessary commercial arrangements and will obtain all regulatory approvals required to affect any exports of electric energy. Such efforts will include: (1) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation ("NERC") and member Regional Entities⁴, which are in effect at the time of export and (2) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.⁵

VI. CONSISTENCY WITH LEGAL REQUIREMENTS

DEBM's application is consistent with United States energy policy established in the Energy Policy Act of 1992, as amended, the North American Free Trade Agreement of 1993, and other initiatives intended to foster more efficient and competitive North American energy markets. Given that DEBM only intends to export power over existing transmission lines, this application qualifies for a categorical exclusion under the Department's regulations implementing the National Environmental Policy Act of 1969, such that neither an Environmental Agreement nor an Environmental Impact Statement is required.⁶

DEBM will continue to comply with such requirements as may be imposed by the Department on other power marketers with blanket electricity export authorization, including making periodic reports to the Department regarding exports, as may be applicable or required.

⁴ The term Regional Entities is a reference to the entities that, under delegation agreements with NERC, work to ensure a defined area of the Bulk Electric System is reliable, adequate, and secure.

⁵ The location, voltage, owner and the Presidential Permits under which the relevant border transmission facilities were constructed and are maintained are also set forth in Exhibit C.

⁶ See 10 C.F.R. Part 1021, Subpart D, Appendix B, § B4.2 (2023) (providing a categorical exclusion for the "[e]xport of electric energy as provided by Section 202(e) of the [FPA] over existing transmission systems or using transmission system changes that are themselves categorically excluded").

VII. EXHIBITS AND ATTACHMENTS

In accordance with 10 C.F.R. § 205.303, DEBM provides the following:

Exhibit A - Agreements (None)

Exhibit B - Legal opinion of DEBM's counsel

Exhibit C - Transmission facility information (Submitted in lieu of maps)

Exhibit D - Non-U.S. Applicant's power of attorney (Not Applicable)

Exhibit E - Statement of any corporate relationship or existing contract which in any way relates to the control or fixing of electric power rates (Not Applicable)

Exhibit F - Operating procedures regarding available capacity and energy (Not Applicable)

Attachment 1 - Direct Energy Business Marketing, LLC's FERC Electric Tariff, Volume No. 1.

Attachment 2 - Verification

VII. CONCLUSION

DEBM respectfully requests that this application for blanket authority to transmit electric energy to Mexico be expeditiously considered and approved on or around August 1, 2023.

Respectfully submitted,

DIRECT ENERGY BUSINESS MARKETING, LLC

/s/ Michael A. Yuffee
Michael A. Yuffee

Counsel for Direct Energy Business Marketing, LLC

Dated: March 31, 2023

EXHIBIT A

Agreements

(None)

EXHIBIT B

Opinion of Counsel

The following opinion, dated March 31, 2023, is given in support of the Application of Direct Energy Business Marketing, LLC for Authorization to Transmit Electric Energy to Mexico.

1. I am an attorney at law, authorized to practice law in the District of Columbia.
2. I am counsel to Direct Energy Business Marketing, LLC (“DEBM”) with respect to the foregoing application.
3. DEBM is a limited liability corporation, validly existing and in good standing under the laws of the State of Delaware.
4. DEBM has full corporate power and authority to engage in exports of electric energy as requested in the application.
5. DEBM has complied or is in the process of complying with all Federal and State laws regarding the matters contemplated in the application.

I am opining here only as the federal laws of the United States, and laws of relevant states within the United States. I express no opinions as to the laws of any other jurisdiction.



Ryan C. Norfolk

Counsel for Direct Energy Business Marketing, LLC

EXHIBIT C
Transmission System Information

**International Transmission Facilities
Located at the U.S. – Mexico Border,
Authorized by Presidential Permit, and
Available for Open Access Transmission**

Owner	Location	Voltage	Presidential Permit No.⁷
Comisión Federal de Electricidad	Falcon Dam, TX	138 KV	N/A
	Redford, TX	7.2 KV	PP-51
	Presidio, TX	13.8 KV	PP-03
Baja California Power, Inc.	Imperial Valley, CA	230 KV	PP-234
Generadora del Desierto – WAPA	San Luis, AZ	230 KV	PP-304*
AEP Texas Inc.	Brownsville, TX	138 KV	PP-425
		69 KV	PP-425
	Laredo, TX	138 KV	PP-423
		230 KV	PP-423
	Eagle Pass, TX	138 KV	PP-424
El Paso Electric Company	Diablo, NM	115 KV	PP-92
	Ascarate, TX	115 KV	PP-48
San Diego Gas & Electric	Miguel, CA	230 KV	PP-68
	Imperial Valley, CA	230 KV	PP-79
Sharyland Utilities	McAllen, TX	138 KV	PP-285
Nogales Transmission	Nogales, AZ	230 KV	PP-420*

*These transmission facilities have been authorized but are not yet constructed or operational.

⁷ These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

EXHIBIT D – Irrevocable Power of Attorney

(Not Applicable)

EXHIBIT E – Statement of Corporate Relationship

(Not Applicable)

EXHIBIT F – Operating Procedures

(Not Applicable)

ATTACHMENT 1

**DIRECT ENERGY BUSINESS MARKETING, LLC
FERC ELECTRIC TARIFF, VOLUME NO. 1**

Direct Energy Business Marketing, LLC
FERC Electric Tariff

1. Availability

Seller makes electric energy, capacity, and ancillary services available under this tariff to any purchaser, except as prohibited below.

2. Rates

All sales shall be made at rates established by agreement between the purchaser and Seller.

3. Seller Category

Seller is a Category 2 seller in the Central, Northeast and Southwest regions as defined in 18 C.F.R. § 35.36(a)(3) and a Category 1 seller in all other regions, as defined in 18 C.F.R. § 35.36(a)(2).

4. Compliance with Commission Regulations

Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning seller's market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller's market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of the Commission concerning seller's market-based rate authority, will constitute a violation of this tariff.

5. Limitations and Exemptions Regarding Market-Based Rate Authority

Seller has received waiver of Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101 (with the exception that waiver of the provisions that apply to hydropower licensees has not been granted with respect to licensed hydropower projects), and Part 141, except sections 141.14 and 141.15; and received blanket approval under Part 34. *Hess Energy Mktg.*, ER13-1192-000 (2013).

6. Ancillary Services

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. ("PJM") and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the

markets administered by the ISO New England, Inc.

ATTACHMENT 2

VERIFICATION


STATE OF NEW JERSEY §

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COUNTY OF MERCER §

Joseph A. Holtman, being first duly sworn, states that he is an authorized representative of Direct Energy Business Marketing, LLC; that he is authorized to execute this Verification; that he has read the above and foregoing document and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.

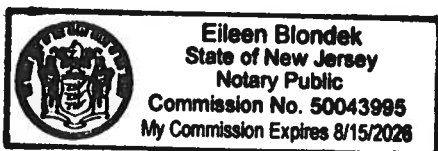


Joseph A. Holtman
Vice President
Direct Energy Business Marketing, LLC

SUBSCRIBED AND SWORN to before me on this 31st day of March, 2023.



Notary Public



[Signature Page to Verification - Mexico]